

SOFTWARE TERMS AND CONDITIONS

INPUT

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Prepared For:

INTERNATIONAL BUSINESS MACHINES CORPORATION

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I INTRODUCTION

I INTRODUCTION

- This report was prepared by INPUT as a custom study for the IBM Corporation, White Plains, New York.
- It is an update and extension of a similar custom study done by INPUT for IBM in December 1979.
- The objective of this study is to determine the current status of terms and conditions associated with the marketing of software products in the United States marketplace. The areas covered include:
 - Licensing.
 - Redistribution.
 - Installation.
 - Maintenance.
 - Education.
 - Marketing approaches.
 - Discounting.

- Companies to be interviewed were selected in consultation with IBM. Twenty-five companies were interviewed, divided as follows:
 - Mainframe companies (4).
 - Minicomputer companies (6).
 - Independent software companies (15).
 - The specific companies interviewed are listed in Exhibit I-I.
- Respondents were initially interviewed by telephone in February and March 1982. In several cases brief follow-up telephone interviews were conducted in April 1982. Interviewees were knowledgeable representatives of their firms; titles include:
 - Vice President/Director of Marketing (12).
 - Other marketing management (9).
 - Other (planning, public relations, general counsel) (4).
- IBM was not identified as the client for the study. Interviews were specifically directed at publicly available information. Respondents were requested at the beginning of the interview to specify if any of the information they were to give was proprietary.
 - Such information, if provided, would not have been included in this report. In several cases respondents would not discuss certain issues (e.g., pricing methodology) because of its proprietary nature.
- The questionnaire was developed jointly by INPUT and IBM, and approved by IBM. (A copy of the questionnaire is in the Appendix.)

EXHIBIT I-1

COMPANIES INTERVIEWED

- Mainframe Companies
 - Honeywell
 - Univac
 - Amdahl
 - Burroughs
- Minicomputer Companies
 - Perkin-Elmer
 - System Engineering Labs
 - Digital Equipment Corporation
 - Hewlett-Packard
 - Data General
 - Prime Computer
- Software Companies
 - Informatics
 - Computer Associates
 - SDC
 - Boole & Babbage
 - Cincom
 - Nixdorf
 - McCormack & Dodge
 - ADR
 - Mathematica
 - Software AG
 - MRI Systems
 - Pansophic
 - University Computer
 - MSA
 - Cullinane

- The questionnaire was a lengthy one, with 200 potential questions and approximately 1,600 answer possibilities. Consequently, it was not always possible to probe more deeply in some areas; e.g., for motivations in general or for reasons for exceptional practices.
- Documentation for price lists, product descriptions, license agreements, and discount schedules was requested, as shown in Exhibit I-2. Where received, it has been separately forwarded to IBM.
 - The percentages of promises (over 50%) and deliveries (20%) is in line with experience in other studies.
- Information developed has been tabulated and arrayed or summarized at the direction of IBM, and forms the basis for the second chapter of this study. A presentation of the material contained therein was presented orally to IBM staff at White Plains on March 24, 1982, and constitutes the major portion of this final report.

EXHIBIT I-2
DOCUMENTATION PROMISED

VENDOR	MAINFRAMES:	PRICE LISTS							GENERAL AGREEMENTS	BUNDLED	UNBUNDLED	END-USER	OEM	VOLUME	DISCOUNT SCHEDULES
		R	R	R	R	Z	Z	Z							
Honeywell															
Univac															
Andahl															
Burroughs															
Perkin-Elmer															
System Engineering Labs															
DEC															
Hewlett-Packard															
Data General															
Prime															

(CONTINUED)

*UNDERINED = RECEIVED

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EXHIBIT I-2 (Cont.)
DOCUMENTATION PROMISED

VENDOR	PRICE LISTS	PRODUCT DESCRIPTION	LICENSE AGREEMENTS	GENERAL	UNBUNDLED	BUNDLED	END USER	OEM	VOLUME		
									Z	Z	Z
Informatics	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Computer Associates	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
SDC	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Boole & Babbage	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Cincom	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Nixdorf	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
McCormack & Dodge	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
ADR	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Mathematica	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Software AG	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
MRI System	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Pansophic	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
University Computer	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
MSA	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
Cullinan	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z

*UNDERLINE = RECEIVED

II SURVEY FINDINGS

II SURVEY FINDINGS

A. GENERAL APPROACH

- There is still some bundling of software and hardware by hardware companies, although this is limited to system software and support, as shown in Exhibit II-1.
 - One-half of the mainframe companies and one-third of minicomputer firms interviewed still followed this approach.
- It is interesting to note that several software companies are now or will be offering a turnkey product.

B. LICENSE TYPES

- There is a wide variety of different types of licenses offered including:
 - Leases.
 - Rentals (with or without an initial fee).
 - Usage-based pricing.

EXHIBIT II-1

PRODUCTS PROFILE

HARDWARE VENDOR	PRODUCTS OFFERED	TERMS & CONDITIONS	LICENSE		IN HARDWARE
			ALL SAME?	SOFTWARE SEPARATE	
<u>MAINFRAMES:</u>					
Honeywell	X	X X X X	Y Y	N	Operating System & System Support
Univac	X	X X X	X X	N	Operating System & System Support
Amdahl	-	X X X	- -	N	-
Burroughs		X X X	X X X	X	In Terminal Systems Only

EXHIBIT II-1 (Cont.)

PRODUCTS PROFILE

HARDWARE VENDOR	PRODUCTS OFFERED	TERMS & CONDITIONS	LICENSE	
			ALL SAME?	IN HARDWARE
MINI COMPUTERS:	APPLICATION PACKAGES	SOFTWARE SEPARATE	-	X
Perkin-Elmer System Engineering Labs	- X -	- Y -	X	-
DEC	- X X X	- X X X	X X	Only Operating Systems
Hewlett-Packard	X X X	X X X	-	-
Data General	X X X	X X X	X X	Only Operating Systems
Prime Computer	X X X	X X X	X X	

EXHIBIT II-1 (Cont.)

PRODUCTS PROFILE

SOFTWARE VENDOR	PRODUCTS OFFERED		TERMS & CONDITIONS		LICENSE	
	ALL	OPERATING SYSTEMS	APPLICATION SUPPORT	APPLICATION SUPPORT	SOFTWARE SEPARATE	IN HARDWARE
Informatics	-	-	X	X	X	Turnkey To Be More Important To Offer Turnkey
Computer Associates	X	X	X	X	X	Also Offer Turnkey
SDC	-	-	-	-	-	-
Boole & Babbage	-	-	X	X	X	-
Cincom	X	-	X	X	X	-
Nixdorf	-	-	X	-	X	-
McCormack & Dodge	-	-	-	X	X	-
ADR	-	-	-	-	-	-
Mathematica	-	-	-	-	-	-
Software AG	-	-	X	X	X	-
MRI Systems	X	-	-	-	-	-
Pansophic	-	-	-	-	-	-
University Computer	-	-	-	-	-	-
MSA	-	-	X	X	X	-
Cullinane	-	-	X	X	X	-

- Paid up licenses.
- One-time charges.
- Exhibit II-2 summarizes the distribution of these types of offerings, contrasting hardware and software companies. (Details are in Exhibit II-3.)
 - In general, software companies have a greater choice of offerings.
- Software companies are much more likely to offer leases and usage pricing.

I. PAID-UP LICENSES AND ONE-TIME CHARGES

- One-time charges as a proportion of total company sales vary widely, as shown in Exhibit II-3.
 - In hardware companies it ranges from 5% to 80%.
 - In software companies it ranges from 40% to 90%.
- The conditions that vendors have on paid-up and one-time charge licenses almost always prevent customer resale, as shown in Exhibit II-4.
 - Vendors do not buy back code, although Computer Associates may in the near future.

2. PURCHASE CREDITS

- Software firms are somewhat more likely to give credits (53%) than hardware companies (40%), as shown in Exhibit II-5.
 - Maximum credit accrueable is most often 50%.

EXHIBIT II-2

LICENSE TYPES
(Summary)

TYPE	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
Leases	30%	60%
Rental	50	53
- Initial Fee	40	33
Usage	20	47
Paid-up	70	87
One-Time	70	100

EXHIBIT II-3

LICENSE TYPES (DETAIL)

VENDOR	LEASE PERIOD (YEARS)	RENTAL		INITIAL PAYMENT FOR UPGRADES	USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	NUMBER OF TERM.						
<u>MAINFRAMES:</u>									
Honeywell	1-5	Both (Optional) Month	Y N	Reduced Charge - Optional	Y - Rare	Only Appl. N	Only Appl. N	20% 5%	*
Univac	1-5	Both (Optional) Month	Y N	-	N	Y	N	N	N
Amdahl	N	Negotiable	N	-	N	Y	Y	N	N
Burroughs					N	N	N	N	N
<u>MINI COMPUTERS:</u>									
Perkin-Elmer	N	N	-	-	N	Y	Y	-	N
System Engineering Labs	N	N	-	-	N	Y	Y	-	N
DEC	N	N	-	-	N	Y	Y	-	N
Hewlett-Packard	N	N	-	-	N	Y	Y	-	N
Data General	N	Year	Y	Reduced Charge	N	Y	N	-	N
Prime	N	Month	Y	No Charge	N	Y	Y	80%	N

* Service Bureau License

EXHIBIT II-3 (Cont.)

LICENSE TYPES (DETAIL)

VENDOR	LEASE PERIOD (YEARS)	RENTAL			INITIAL PAYMENT FOR UPGRADES	USAGE	PAID-UP	ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	Y/N*	Depends on Option						
Informatics	1-4	Month (Rare)	Y/N*	Depends on Option			Y	Y	80%	N
Computer Associates	1-3	N	-	-			Y	Y	40%	N
SDC	Negotiable	Month	N	-			Y	Y	50%	N
Boole & Babbage	N	N	-	-			N	Y	-	N
Cincom	1-5	Month	N	-			Y	N	-	N
Nixdorf	1-5	Oper. Sys.	Y	Pay Charge			N	Operating N	-	N
McCormack & Dodge ADR	N	Month	N	-			Y	Other-Y	-	N
Mathematica	3-5	Y	Y	Varies			Y	Y	60%	N
Software AG	N	Month	Y	No Charge			Y	Processor Size	95%	N
	1-5	Month	Y	Pay Charge			N	Y	50%	N

*Initial Fee Or Larger Payments

EXHIBIT II-3 (Cont.)

LICENSE TYPES (DETAIL)

VENDOR	LEASE PERIOD (YEARS)	RENTAL			ONE-TIME CHARGE OFFERED	ONE-TIME CHARGE (PERCENT OF SALES)	OTHER
		PAYMENT TYPE (MO., YR.)	INITIAL PAYMENT FOR UPGRADES	USAGE			
MRI Systems	2	N*	-	-	Proces. Size	Y	Y
Pansophic	1-4	N	-	-	N	Y	90%
University Computer	N	N	-	-	N	Y	-
MSA	N	N	-	-	N	Y	-
Cullinane	N	Month	N	No Charge	N	Y	Don't Know

* Financing arranged

EXHIBIT II-4

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
<u>MAINFRAMES:</u>					
Honeywell	Vendor	N	-	N	Percentage allowance (varies)
Univac	Vendor	N	-	N	Up to 50% allowance
Amdahl	Vendor	N	-	N	-
Burroughs	Vendor	N	-	N	Up to 50% allowance
<u>MINI COMPUTERS:</u>					
Perkin-Elmer	-	OEMS Only	None	N/A	-
System Engineering Labs	OEMS - Customer; End-User - Vendor	N Y	-	N	Service Contract
DEC	Vendor	N	No high-level Application pkgs.	N	-
Hewlett-Packard	Vendor	N	-	N	No new function
Data General	Vendor	N	-	N	
Prime	Vendor	N	-	N	

EXHIBIT II-4 (Cont.)

PAID-UP AND ONE-TIME CHARGE CONDITIONS

VENDOR	RETAINS RIGHTS	CUSTOMER RESALE	RESTRICTIONS	VENDOR BUYS BACK	UPGRADE INCENTIVE
Informatics	Vendor	N	-	N	No new functions
Computer Associates	Vendor	N	-	N-May Soon	No new functions
SDC	Vendor	N	-	N	No new functions
Boole & Babbage	Vendor	N	-	N	No new functions
Cincom	Vendor	-	-	-	No new functions
Nixdorf	Vendor	N	-	N	Up to 50% allowance
McCormack & Dodge	Vendor	N	-	N	None
ADR	Vendor	N	-	-	-
Mathematica	Vendor	N	-	N	-
Software AG	Vendor	N	-	N	-
MRI Systems	Vendor	N	-	N	-
Pansophic	Vendor	N	-	N	Rare
University Computer	Vendor	N	-	N	No new functions
MSA	Vendor	N	-	N	No new functions
Cullinane	Vendor	N	-	N	-

EXHIBIT II-5

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUABLE	MAXIMUM MONTHS ACCRUABLE
<u>MAINFRAMES:</u>						
Honeywell	-	-	*	-	30%	-
Univac	-	X	-	-	-	-
Amdahl	X	-	-	-	-	-
Burroughs	-	-	**	Varies	Varies By Product	Varies
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	-	-	-	-	-	-
System Engineering Labs	X	X	-	-	-	-
DEC	X	X	-	-	-	-
Hewlett-Packard	-	-	X	-	-	-
Data General	-	-	-	Varies	-	-
Prime	-	-	X	X	Don't Know	Don't Know

* Depends ** If take newest upgrade.

EXHIBIT II-5 (Cont.)

PURCHASE CREDITS

VENDOR	N/A	NONE	YES	PERCENT OF PAYMENT	MAXIMUM PERCENT ACCRUALABLE	MAXIMUM MONTHS ACCRUALABLE
Informatics	-	-	X	Varies	50-75%	48
Computer Associates	-	X	-	-	-	-
SDC	-	-	X	-	50	-
Boole & Babbage	X	-	-	-	-	-
Cincom	-	-	X	Varies	50	12 (6 soon)
Nixdorf	X	-	-	-	-	-
McCormack & Dodge	X	-	-	-	-	-
ADR	-	-	-	DK	DK	-
Mathematica	-	-	-	-	-	-
Software AG	-	-	X X X	1st year 50% 2nd year 45% 5th year 40%	50	60
MRI Systems	-	-	-	X	-	-
Pansophic	-	-	X	-	-	-
University Computer	X	-	-	-	-	-
MSA	X	-	-	DK	-	-
Cullimore	-	-	-	X	DK	DK

3. DISCOUNTS

- Discounts are usually for volume and multisite, as shown in Exhibit II-6.
 - They are universal for software companies.
- Other forms of discount are rare.
- Discount arrangements vary.
 - A second user discount of 20% to 50% is common.
 - This was a sensitive item for several vendors, so the numbers may not be representative.

4. LICENSING FOCUS

- There were differences between hardware and software companies in the focus of their licenses, as shown in Exhibit II-7, and detailed in Exhibit II-8.
 - Hardware companies were more likely to license to a particular CPU serial number and were the only ones to license to a particular system type.
 - The most common form of licensing for software companies, i.e., to a particular site, was not reported by hardware companies at all.
- Enforcement of these licensing provisions was seen as either "no problem" or unenforceable.

5. UPGRADES AND ENHANCEMENTS

- Generally, hardware and software companies had similar profiles on how they treated upgrades and enhancements, as shown in Exhibits II-9 and II-10.

EXHIBIT II-6

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SITE	PRE-PAYMENT	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY	
						MINIFRAMES:	
Honeywell	Minis Only	Y	N	N	N	-	Varies with family and number of systems
	N	N	N	N	-	-	25% for each (or pay full cost and get support)
Univac	Y	Y	Y	N	Y		Matrix based on locations, number of products, and number of type of products
Amdahl					N		
Burroughs	Y	Y	N	N	N	-	
			N	N	N	-	30% - 2nd; 40% - 3rd and 4th, 50% - 5th (OEMs). 30% - 2nd-5th, 40% - 6th (End Users)
			N/A	N/A	N	-	5-20% (complex schedules)
					N	-	4-38% (complex schedules)
					Y	-	20-50% for 2nd license-varies by product
					N	-	Won't discuss
<u>MINI COMPUTERS:</u>							
Perkin Elmer	N	N	Y				
System Engineering Labs	Y	Y					
DEC		Y	Y				
Hewlett-Packard		Y	Y				
Data General		Y	Y				
Prime		Y	Y				

EXHIBIT II-6 (Cont.)

DISCOUNTS AND FINANCIAL INCENTIVES

VENDOR	VOLUME	MULTI-SITE	OTHER	USER COPIES	DISCOUNT SCHEDULE SUMMARY	
					PAYMENT PRE-ENT	
Informatics	Y	Y	N	Negotiable	15% for first 7; then 25% off	
Computer Associates	Y	Y	N	Y&N	20% for 2nd, 25% for 3rd, 4th and 5th	
SDC	Y	Y	N	N	Won't discuss	
Boole & Babbage	Y	Y	N	N	30% for each different product	
Cincom	Y	Y	N	N	20% for 2nd; 35% for 3rd, 4th and 5th	
Nixdorf	Y	Y	N	N	25% after 3rd	
McCormack & Dodge	Y	Y	N	N	10% - Volume; 20% - Multi-site	
ADR	Y	Y	Y	N	20% - 2nd-5th; 30% - 6th+	
Mathematica	Y	Y	Y	N	25% - 2nd, 35%-3rd and 4th, 45% - 5th	
Software AG	Y	Y	Y	N	25% - 2nd, 3rd and 4th	
MRI Systems	Y	Y	Y	N	DK	
Pansophic	Y	Y	Y	N	DK	
University Computer	Y	Y	Y	N	Products Coupled	
MSA	Y	Y	Y	N	10% for each	
Cullimore				N	25% for each, if purchased within a year	

EXHIBIT II-7

LICENSING FOCUS

(Summary)

LICENSED TO	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
CPU Serial Number	60%	40%
System Type	20	0
User Site	0	60
User Firm	10	13

EXHIBIT II-8

SOFTWARE LICENSING FOCUS (DETAIL)

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
<u>MAINFRAMES:</u>						
Honeywell	X	-	-	-	-	Difficult, can't do.
Univac	-	X	-	-	-	No problem for us.
Amdahl	X	-	-	-	-	Usually no problem.
Burroughs	X	-	-	-	-	Can't do.
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	-	-	-	X	-	Can't do.
System Engineering Labs	-	-	-	-	-	Registration.
DEC	X	-	X	-	-	Difficult, usually don't try.
Hewlett-Packard	-	-	-	-	-	No problem.
Data General	X	-	-	-	-	Contracts.
Prime	X	-	-	-	-	

EXHIBIT II-8 (Cont.)

SOFTWARE LICENSING FOCUS (DETAIL)

VENDOR	CPU SERIAL NUMBER	SYSTEM TYPE	USER SITE	USER FIRM	OTHER	LICENSING ENFORCEMENT
Informatics	X	-	X	-	-	Court; haven't had to do this yet.
Computer Associates	-	-	X	-	-	Haven't had to do.
SDC	X	-	X	-	-	No problem.
Boole & Babbage	X	-	-	-	-	No problem.
Cincom	X	-	-	-	-	Serial number (on 370) and good faith.
Nixdorf	X	-	-	-	-	Not done.
McCormack & Dodge	-	-	-	X	-	No problem.
ADR	-	-	-	X	-	No problem.
Mathematica	X	-	-	-	-	Product manipulation and contracts.
Software AG	-	-	-	-	-	Contracts.
MRI Systems	-	-	-	-	-	No source code sent.
Pansophic	-	-	-	X	-	Can't enforce.
University Computer	-	-	-	X	-	Can't enforce.
MSA	-	-	-	-	-	No problem so far.
Cullinane	-	-	-	X	-	Professional propriety and integrity.

EXHIBIT II-9

SOFTWARE UPGRADES/ENHANCEMENTS
(Summary)

UPGRADE/ENHANCEMENT	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
No Charge	20%	0
Additional Charge	20	7%
In Maintenance Fee	60	87
New Product	20	20

EXHIBIT II-10

SOFTWARE UPGRADES/ENHANCEMENTS (DETAIL)

VENDOR	NO CHARGE	CHARGED	IN MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
<u>MAINFRAMES:</u>						
Honeywell	-	-	Operating Systems Only	All Others	-	-
Univac	Minor Only	-	-	Major Only	-	-
Amdahl	-	-	X	-	-	-
Burroughs	-	-	X	-	-	*
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	-	-	-	-	-	-
System Engineering Labs	-	-	X	-	-	-
DEC	-	-	X	-	-	-
Hewlett-Packard	-	Only Systems	X	-	-	-
Data General	-	-	-	X	-	-
Prime	-	-	-	-	-	-

* Software update subscription.

EXHIBIT II-10 (Cont.)

SOFTWARE UPGRADES/ENHANCEMENTS (DETAIL)

VENDOR	NO CHARGE	CHARGED	MAINTENANCE	NEW PRODUCT	NONE PLANNED	OTHER
Informatics	-	-	X	-	-	-
Computer Associates	-	-	X	-	-	-
SDC	-	-	X	-	-	-
Boole & Babbage	-	-	X	-	-	-
Cincom	-	-	X	-	-	-
Nixdorf	-	-	X	-	-	-
McCormack & Dodge	-	-	X	-	-	-
ADR	-	-	X	-	-	-
Mathematica	-	-	X	-	-	-
Software AG	-	-	X	-	-	-
MRI Systems	-	-	-	X	-	-
Pansophic	-	-	-	X	-	-
University Computer	-	-	-	X	-	-
MSA	-	-	-	X	-	-
Cullinane	-	-	-	-	-	-

- A few hardware companies deal with the issue by not planning any changes; no software company takes that position.
- The most common approach is to include upgrades and enhancements in the maintenance charge.

6. SOURCE CODE DELIVERY

- Hardware companies are more likely to deliver source code (60%) than software companies (about 30%), as shown in Exhibit II-11.
 - An extra fee is often charged by hardware companies.
 - Code delivered is usually in machine readable form.
- Most firms have some form of software protection.
 - Hardware firms usually copyright (70%).
 - Software firms both copyright (47%) and use trade secret protection (47%).
- Attitudes on enforcement vary widely.
 - Most see enforcement as difficult.

7. REDISTRIBUTION

- About half of hardware vendors engage in some form of software redistribution, as shown in Exhibit II-12.
 - About one-quarter of software vendors engage in redistribution as an OEM.

EXHIBIT II-11

SOURCE CODE DELIVERY

VENDOR	SOURCE CODE DELIVERY	SOFTWARE PROTECTION					ENFORCEMENT
		DELIVERY MEANS	MACHINE READABLE	FICHE	COPY-RIGHT	TRADE SECRET	
<u>MAINFRAMES:</u>							
Honeywell	Normally	X	-	X	X	-	Court - Difficult.
Univac	Normally now (won't do soon)	X	-	X	-	-	Can't do.
Amdahl	Never	-	-	-	-	-	No problem..
Burroughs	Appl. Normally; Sys.-Need to know	X	-	X	X	-	Very difficult.
<u>MINI COMPUTERS:</u>							
Perkin-Elmer	Never	-	-	-	-	-	None
System Engineering Labs	Extra Fee	X	-	X	-	-	None
DEC	Normally	X	X	-	-	-	-
Hewlett-Packard	Extra Fee	X	X	-	-	-	-
Data General	Extra Fee	X	-	X	-	-	Prop.
Prime	Never	-	-	-	-	-	Contracts.

EXHIBIT II-11 (Cont.)

SOURCE CODE DELIVERY

VENDOR	SOURCE CODE DELIVERY	SOFTWARE PROTECTION						
		DELIVERY MEANS	READABLE MACHINE	MICRO-FICHE	COPY-RIGHT	TRADE SECRET	OTHER	ENFORCEMENT
Informatics	One product only	X	-	X	-	-	-	Court.
Computer Associates	Older products only	X	-	X	X	-	-	Contracts.
SDC	Never	-	-	-	X	-	-	Can't enforce.
Boole & Babbage	Need to know	X	X	-	X	-	-	Can't enforce.
Cincom	Applications only	X	X	-	-	-	-	Haven't done.
Nixdorf	Applications only	X	X	-	X	-	-	-
McCormack & Dodge	Normally	X	X	-	X	-	-	Contracts.
ADR	Need to know (rare)	X	X	-	X	-	-	No need.
Mathematica	Never	-	-	-	X	-	-	Contracts & product manipulation.
Software AG	Never	-	-	-	-	-	-	-
MRI Systems	Never	-	-	-	-	-	-	Don't send code.
Pansophic	Never	-	-	-	-	-	-	Can't enforce.
University Computer	Normally	X	-	-	X	-	-	Can't enforce.
MSA	Normally	X	-	-	X	-	-	Contracts.
Cullinane	Never	-	-	-	-	-	-	Legal action.

EXHIBIT II-12

SOFTWARE REDISTRIBUTION

VENDOR	DIFFERENCES IN T &C TO SERVICES VENDORS					
	NEW CODE FOR	ORIGINAL VENDOR	ANOTHER VENDOR	VENDEDOR W/HDW	END-USER	VENDORSHIP W/HDW
<u>MAINFRAMES:</u>						
Honeywell	Y	Varies	DK	DK	N	Y - Cost, support, discounts
Univac	N	-	-	-	-	Y - Restrictions, usage price, discounts.
Amdahl	Y*	-	-	-	-	N
Burroughs	Y (rare)	N	Y	N/A	Y	N
<u>MINICOMPUTERS:</u>						
Perkin-Elmer	N	-	-	-	-	N/A - No separate software.
System Engineering Labs	Y	35%-2 40%-3+4 50%-5	Y	Y	N	Y - Discounts, Terms
DEC	Y	Y-DK%	N	N	N	DK
Hewlett-Packard	Y	Y	Y**	Y	Y	Y (Don't sell to large bureaus)
Data General	N	-	-	-	-	N - End user is licensee
Prime	Y	Y	Y	Y	N	N

* Allowed, but not done. ** Hardware or software.

EXHIBIT II-12 (Cont.)

SOFTWARE REDISTRIBUTION

VENDOR	DIFFERENCES IN T&C TO SERVICES VENDORS									
	NEW CODE FOR VENDOR	ANOTHER VENDOR	ORIGINAL VENDOR	ADDED VALUE TO SOFTWARE REDISTRIBUTOR	DISCOUNT TO SOFTWARE REDISTRIBUTOR	VENDEE LICEN\$E W/SFW	END USER VENDEE	VENDEE W/SFW	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
Informatics	-	-	-	-	-	-	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
Computer Associates	N	-	*	-	*	*	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
SDC	Y	-	*	-	*	*	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
Boole & Babbage	N	Varies	DK	DK	N	Y	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
Cincom	Y	-	-	-	-	-	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
Nixdorf	N	N	N	-	-	-	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
McCormack & Dodge	N	N	N	-	-	-	-	-	Y - Algorithm price; same T&C N - But may change for applications. Y - Usage price, discounts	N
ADR	N	Varies	Y	Y	N	Y	N	Y	Y - Cost, T&C and others. Y - Charge more. Don't sell to.	N
Mathematica	Y	Yes	Y	Y	Y	Y	Y	Y	Y - Cost, T&C and others. Y - Charge more. Don't sell to.	N
Software AG	Y	-	-	-	-	-	-	-	Y - Cost, T&C and others. Y - Charge more. Don't sell to.	N
MRI Systems	N	N	N	-	-	-	-	-	Y - Cost, T&C and others. Y - Charge more. Don't sell to.	N
Pansophic	N	-	-	-	-	-	-	-	Y - Cost, T&C and others. Y - Charge more. Don't sell to.	N
University Computer	N	N	N	-	-	-	-	-	Y - Cost, T&C and others. Y - Charge more. Don't sell to.	N
MSA	-	-	-	-	-	-	-	-	Y - Pay reduced fee and billing related royalties.	N
Cullinan	-	-	-	-	-	-	-	-	Y - Pay reduced fee and billing related royalties.	N

* Would not discuss.

- Usually a discount is involved.
- Added value is usually required by a hardware company.
 - The enhanced software must usually run on the hardware vendor's own hardware.
 - Only one software respondent reported enhancing a hardware vendor's software to run on another vendor's hardware.
- End-user licenses can be with either the hardware vendor or the redistributor.
 - Hardware vendors are divided on practice.
 - Three software respondents report licenses to themselves.
- A majority of vendors have different terms and conditions with services vendors; for example:
 - They do not sell to some or all services vendors.
 - Charges may differ or usage pricing/royalties may be used.
 - Different discount structures may be used.

C. INSTALLATION

- The installation terms vary; there is little discernible pattern, as shown in Exhibit II-13.
- An acceptance period is typical.

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	MODIFICATIONS			EXTRA FEE
			MAKE?	MAINTAIN?		
<u>MAINFRAMES:</u>						
Honeywell	Varies by customer and system	Beta sites	N	Y-Avoid	Y-Only vendor-sponsored	Y
Univac	Free	N	N	Appl. only-Avoid	Y	Y
Amdahl	Separate or with hardware	Y-30	I	Y-Avoid	Y	Y
Burroughs	Appl.: Fixed days; System: Per day or prop.	N	2	Varies by prod.	Y	Y
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	Free	N	2-3	In sys. N/A	N	-
System Engineering Labs	Varies	Y-90	DK	N	Y-consult.	Y
DEC	Free-"A" Lic. (Oper. Bundled)	N	I	N	N	N
Hewlett-Packard	Separate change -Negot.	Y-90	I	N	Y	Y
Data General	Free-3 days	NO	1-5	Y	Y-Avoid	N
Prime	System-Y App. - N	Free	2	System-Y App. - N	Y	Y

EXHIBIT II-13 (Cont.)

INSTALLATION

VENDOR	INSTALLATION SERVICE	ACCEPTANCE PERIOD (DAYS)	MODIFICATIONS					
			REQUISITES INSTALLATION?	MAKE?	MAINTAIN?	1 Product	EXTRA FEE	
Informatics	Free	Varies Y-30	3-5	Depends (sale)	Y-RPQ	1 Product	N	-
Computer Associates	Free	Y-30	2	N	N	-	-	-
SDC	Free	N	Varies	Depends (prod.)	Y-rare	Y	Varies	-
Boole & Babbage	User does	Y-30	2	N	Y-App. N-Op.	Y	Y	-
Cincom	Separate charge	Y-60	4	Y	Y	Y	Y	-
Nixdorf	Oper.Sys.-free Other-separate	N	1	Y	Oper.-N	Y	Y	-
McCormack & Dodge	Free	N	2	N	N	-	-	-
ADR	Free	Y-30	1	Depends (prod.)	N	-	-	-
Mathematica	Customer does	N	5	N	N	-	-	-
Software AG	Free	Y-15	1	N	-	-	-	-
MRI Systems	Free	Y-30	1	Y	Y	Y	Y	Y
Pansophic	Free	Varies	2-4	Y	Y	Y	-	Varies
University Computer	Free	Appl.-365 Sys. Supp.-30	3-5	Depends (prod.)	N	N	-	-
MSA	Free	Y-90	3	N	N	-	-	-
Cullinane	Free	N	1	N	N	-	-	-

- Thirty days is the most common acceptance period.
- Software companies are somewhat more likely to have their warranty depend on the vendor providing installation (53%) than are hardware companies (40%).
- Fewer software vendors make modifications to software (33%) than hardware companies (80%).
 - It is common in both groups to try to avoid making modifications. Modifications appear to be a marketing tool.
 - . Once made, modifications are then supported by the vendor.

D. MAINTENANCE

- Hardware companies are less likely to have separate maintenance charges where the software is leased or where usage pricing is used, as shown in Exhibit II-14. Otherwise, the profiles are similar.
- There is, however, considerable variation in the approaches used to set maintenance charges, as shown in Exhibit II-15.
- An annual fee of 10% to 12% of purchase price is common for most software vendors (67%), as shown in Exhibit II-16.
 - The fee varies for other companies.
- Maintenance typically includes both fixes and enhancements for software companies (87%); this is less common for hardware companies (50%), as shown in Exhibit II-16.

EXHIBIT II-14

SEPARATE MAINTENANCE CHARGES
(Summary)

TYPE OF SOFTWARE LICENSE	HARDWARE COMPANIES (percent)	SOFTWARE COMPANIES (percent)
Lease	33%	90%
Continuous Payment	40	42
Usage Pricing	50	80
Paid-Up	86	100
One Time Charge	86	100

NOTE: (1) Percentages against companies which have that type of software license.
(2) If in fee, but optional, counted as separate.

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
<u>MAINFRAMES:</u>						
Honeywell	Sep.-Opt. Appl. - in Fee; Sys.- W/Hdw.	Sep.-Opt. Same	Sep.-Opt. Same	Sep.-Opt. Same	Sep.-Opt. Same	-
Univac	-	-	-	-	-	-
Amdahl	In Hdw. Fee	-	-	-	12 Mo.- (Req.)	-
Burroughs	In Fee- (Req.)	In Fee- (Req.)	-	-	12 Mo.- (Req.)	-
<u>MINI COMPUTERS:</u>						
Perkin-Elmer	In Hdw. Fee	-	-	-	-	-
System Engineering Labs	-	-	-	3 Mo.-Opt	3 Mo.-Opt.	-
DEC	-	-	-	-	3 Mo.-Opt.	-
Hewlett-Packard	-	-	-	Sep. Crg.	Sep. Crg.	2 Options
Data General	12 Mo.-Opt.	In Fee-Opt.	-	12 Mo.-Opt.	12 Mo.-Opt.	3 Options
Prime	-	Sep.-Opt.	-	Sep.-Opt.	Sep.-Opt.	-

Key: "12 Month" means included in software fee for first 12 months.

EXHIBIT II-15 (Cont.)

MAINTENANCE CHARGE APPROACH BY
METHOD OF LICENSE PAYMENT

VENDOR	LEASE	CONTINUOUS PAYMENT	USAGE PRICING	PAID-UP LICENSE	ONE-TIME CHARGE	COMMENTS
Informatics	12 Mo.-Opt. In Fee-Opt.	In Fee-Opt. -	In Fee-Opt. -	12 Mo.-Opt. 12 Mo.-Opt. 12 Mo.-Opt.	12 Mo.-Opt. 12 Mo.-Opt. 12 Mo.-Opt.	
Computer Associates	12 Mo.-Opt.	In Fee-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	
SDC	12 Mo.-Opt.	In Fee-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	
Boole & Babbage	-	-	-	-	-	Opt.
Cincom	Sep.-Req. Soon	In Fee-Req.	In Fee-Req.	Sep.	-	
Nixdorf	Oper.-In Fee; Others- 6 Mo.	In Fee-Oper.Sys.	-	6 Mo.	6 Mo.	
McCormack & Dodge	-	-	-	-	6 Mo.	
ADR	12 Mo.-Opt.	-	-	-	12 Mo.	12 Mo.
Mathematica	-	In Fee-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	12 Mo.-Opt.	
Software AG	12 Mo.-Opt.	In Fee	-	12 Mo.-Opt.	12 Mo.-Opt.	
MRI Systems	Sep.-Opt.	-	Sep.-Opt.	Sep.-Opt.	Sep.-Opt.	
Pansophic	In Fee-Opt.	-	-	12 Mo.-Opt.	12 Mo.-Opt.	
University Computer	-	-	-	12 Mo.	12 Mo.-Opt.	
MSA	-	-	-	-	-	12 Mo.-Opt.
Cullinane	12 Mo.-Req.	In Fee-Req.	-	12 Mo.-Req.	12 Mo.-Req.	

Key: "12 Month" means included in software fee for first 12 months.

EXHIBIT II-16

MAINTENANCE (I)

VENDOR	12-MONTH MAINTENANCE FEE		MAINTENANCE		WHAT IS ENHANCEMENT VS. NEW PRODUCT	MINIMUM TERM MAINTENANCE	HARDWARE MAINTENANCE PREREQUISITE
	MAINTENANCE ENHANC.	FIXES	OTHER	ENHANC.			
<u>MAINFRAMES:</u>							
Honeywell	Varies By Product	X	-	-	Logical Extension	12 Mo.	N
Univac	None	-	-	-	Size-Offer 3 Levels/Year	N	N
Amdahl	Bundled - No Cost	X	X	-	Logical Extension & Hardware	N	N
Burroughs	10%	X	X	-	Functional Change	12 Mo.	Y
<u>MINI COMPUTERS:</u>							
Perkin-Elmer	Varies By Product	X	-	-	N/A-No Enhancements	Hdw. Contr.	
System Engineering Labs	10%	X	X	-	Size	12 Mo.	
DEC	Varies	-	-	-	DK	12 Mo.	
Hewlett-Packard	Mo. Fee	-	-	-	-	1 Mo.	
Data General	-	X	X	-	-	12 Mo.	
Prime	1%/Mo.	X	X	-	Size	1 Mo.	

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EXHIBIT II-16 (Cont.)

MAINTENANCE (I)

VENDOR	12-MONTH FEE MAINTENANCE	10%+ \$50/Hr.	FIXES ENHANC. OTHER	MAINTENANCE	WHAT IS ENHANCEMENT VS. NEW PRODUCT	TERM MAINTENANCE	MINIMUM HARDWARE MAINTENANCE PREREQUISITE
Informatics		X	X	-	Significant Shift In Tech.	12 Mo. (May soon)	N N/A
Computer Associates	12%	X	X	-	Functional Change	12 Mo.	N/A
SDC	10%	X	X	-	Difficult To Say	12 Mo.	N
Boole & Babbage	15-20%	X	X	-	System-Specific or Logical Extension	12 Mo.	N/A
Cincom	11%	X	X	-	Size or Function	12 Mo.	N/A
Nixdorf	\$50/Hr.	X	-	-	No Enhancement Included	N/A T&M	N
McCormack & Dodge	15%	X	X	-	Separate Application	12 Mo.	N/A
ADR	12%	X	X	-	-	12 Mo.	-
Mathematica	Varies	X	X	-	New Application	12 Mo.	N
Software AG	10%	X	X	-	Logical Extension	12 Mo.	N/A
MRI Systems	Varies	X	X	-	Size	Y	N
Pansophic	12%	X	X	-	Size & Function	12 Mo.	N/A
University Computer	10-13%	X	X	-	Size	12 Mo.	N
MSA	11%	X	X	-	Functional Extension	12 Mo.	N
Cullinane	10%	X	-	-	Different Functionality	12 Mo.	N

- The point at which an enhancement becomes a new product can depend on:
 - . Size of product.
 - . Changes in functionality.
- The minimum maintenance term is usually 12 months for software companies (87%), as shown in Exhibit II-16.
 - This is only true for 50% of hardware companies.
- Hardware maintenance is sometimes a prerequisite for obtaining software maintenance for hardware companies (30%), as shown in Exhibit II-16.
- Most vendors use most methods of distributing software fixes to customers of software fixes, as shown in Exhibit II-17 and II-19.
- Software firms are more likely than hardware companies to have the customer apply the fix, as shown in Exhibit II-18 and II-19.
- Maintenance for back levels of a release varies from none to "forever," as shown in Exhibit II-19.
- There are few response time promises for making software fixes, as shown in Exhibit II-19.
- Trouble report turnaround varies, as shown in Exhibit II-19.
 - "Immediate" turnaround is the most common.
- Hardware companies are more likely to give a price discount for multilicense maintenance (40%) than software companies (13%), as shown in Exhibit II-20.

EXHIBIT II-17

METHODS OF DISTRIBUTING
SOFTWARE FIXES TO CUSTOMER
(percent)

TYPE OF NOTIFICATION	HARDWARE COMPANIES	SOFTWARE COMPANIES
On-Site	70%	80%
Telephone	70	93
Letter	50	47
Newsletter	70	47
Maintenance Release	70	87
All Users	90	93

EXHIBIT II-18

APPLICATION OF SOFTWARE FIXES
(percent)

FIXES APPLIED BY	HARDWARE COMPANIES	SOFTWARE COMPANIES
Vendor	50%	33%
Customer	60	87

EXHIBIT II-19

MAINTENANCE (2)

VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	SUPPORT AVAILABILITY					
			ON-SITE	TELEPHONE	LETTER NEWS	LETTER MAINTENANCE RELEASE	ALL USERS	BY APPLIED
<u>MAINFRAMES:</u>								
Honeywell	For 2 Releases	Varies	-	-	-	Y	Y	Custom.
Univac	For 2 Releases	No Time	Y	Y*	Y	Y	Y	Custom.
Amdahl	Forever	No Cont.	Y	Y	Y	Y	Y	Custom.
Burroughs	3 Months	Varies	Y	Y*	Y	Y	Y	Both (Varies)
<u>MINI COMPUTERS:</u>								
Perkin-Elmer	12 Months	Varies	N/A	N/A	N/A	N/A	N/A	N/A
System Engineering Labs	12 Months	No Cont.	-	Y	-	Y	Y	Vendor
DEC	DK	Depends On Contract	Y	Y	-	-	Y	15 Days (1-3 Mo. Guarant.)
Hewlett-Packard	-	-	Y	Y	-	Y	Y	DK
Data General	3 Months-Varies	DK	Y	-	-	Y	-	30 Days
Prime	Forever Now, To Add Limit	No Cont.	Y	Y	Y	Y	Y	Custom.

* Usual

EXHIBIT II-19 (Cont.)

MAINTENANCE (2)

VENDOR	MAINTENANCE FOR OLD RELEASE	RESPONSE TIME	SUPPORT AVAILABILITY							
			ON-SITE		TELEPHONE		LETTER NEWS		MAINTENANCE RELEASE		ALL USERS	BY APPLIED TROUBLE REPORT TURNAROUND
Informatics	5 Months	No Contract	Y	Y	Y	Y	Y	Y	Cust.	Immed.
Computer Associates	18 Months	No Contract	Y	Y	Y	Y	Y	Y	Cust.	Varies
SDC	Forever	No Contract	Y	Y	Y	Y	Y	Y	Cust. 90%	DK
Boole & Babbage	Forever	No Time	-	-	-	-	-	-	Cust.	Immed.
Cincom	9 Months	No Contract	Y**	Y	-	-	-	-	Cust. 80%	Immed.
Nixdorf	N/A (T&M)	No Time	Y*	-	-	-	-	-	Vendor	DK
McCormack & Dodge	12 Months	30 Days	Y	Y	-	-	-	-	Cust.	80%-Immed. 20%-14 Days
ADR								-	-	-
Mathematica		Not Covered	-	Y	-	-	-	-	Y	Cust.
Software AG		Forever	No Contract	-	Y	-	-	-	Y	Immed.
MRI Systems		180 Days	No Time	Y	Y	Y	Y	Y	Y	Both
Pansophic		Contract Balance	No Contract	Y	Y	Y	Y	Y	Y	Vendor
University Computer		12 Months	No Time	Y	Y	-	-	Y	Y	Cust.
MSA		Varies	No Contract	-	Y*	Y	Y	Y	Y	DK
Cullinane		12 Months	No Contract	Y	Y	Y	Y	Y	Y	1 Day
		DK								

* Usual ** Last Resort

EXHIBIT II-20

MAINTENANCE (3)

VENDOR	MULTI LICENSE MAINTENANCE	CENTRAL MAINTENANCE	OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT			
<u>MAINFRAMES:</u>				
Honeywell	-	-	-	Varies By Systems & Customer
Univac	X	X	-	\$30-60/Hour - 3 Service Levels
Amdahl	-	X	-	\$100/Hour
Burroughs	-	X	-	\$500/Day
<u>MINI COMPUTERS:</u>				
Perkin-Elmer	N/A	-	-	Not Offered
System Engineering Labs	-	X	-	Not Offered
DEC	X	-	-	DK
Hewlett-Packard	X	-	-	Varies By Product
Data General	-	-	-	\$65/Hour & Volume Discount
Prime	X	-	-	\$50/Hour

EXHIBIT II-20 (Cont.)

MAINTENANCE (3)

VENDOR	MULTI LICENSE MAINTENANCE			OTHER	ON-SITE MAINTENANCE
	PRICE DISCOUNT	CENTRAL MAINTENANCE			
Informatics	X	X	-	-	\$450/Day
Computer Associates	X	X	-	-	\$500/Day
SDC	-	X	-	-	\$500/Day
Boole & Babbage	-	X	-	-	Free-With Contract
Cincom	-	X	-	-	\$850/Day
Nixdorf	T&M	-	-	-	\$50/Hour
McCormack & Dodge	-	-	No Discount (separate)	-	\$800/Day
ADR	-	-	-	-	DK Rare
Mathematica	X	X	-	-	Not Offered
Software AG	-	X	-	-	\$600/Day
MRI Systems	-	X	-	-	\$32/Hour
Pansophic	-	X	-	-	Free (Contract)
University Computer	-	X	-	-	\$650/Day
MSA	-	-	No Discount (separate)	-	\$700/Day
Cullinane	-	X	-	-	DK

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- Central maintenance arrangements are common among software companies (73%); less so among hardware companies (40%).
- On-site maintenance pricing ranges from about \$200/day to \$850/day, as shown in Exhibit II-20.
 - The majority are in the \$500 to \$800 range.

E. EDUCATION

- All types of education are common, as shown in Exhibit II-21; i.e.:
 - Vendor and user site.
 - Audiovisual.
 - Manuals.
 - Built into product.
- Hardware companies are more likely to charge a fee for education (50%) than software companies (20%).
- Companies provide discounts on education fees/credits.
 - Hardware companies: 30%.
 - Software companies: 20%.

EDUCATION

VENDOR	TYPES OF EDUCATION	CHARGES		DISCOUNTS						
		FREE	FEES	-	Y	N	N	-	-	Y
Honeywell	BUILT-IN	X	X X X	X	-	-	-	-	-	DK
Univac	MANUALS	X	X X X	X	-	-	-	-	-	X
Amdahl	AUDIO-VISUAL	X	X X X	X	-	-	-	-	-	X
Burroughs	SITE USER	X	X X X	X	-	-	-	-	-	X
	VENDDOR SITE	X	X X X	X	-	-	-	-	-	X
<u>MAINFRAMES:</u>										
Perkin-Elmer	MINI COMPUTERS:									
Systems Engineering Labs										
DEC										
Hewlett-Packard										
Data General										
Prime										

EXHIBIT II-21 (Cont.)

EDUCATION

VENDOR	TYPES OF EDUCATION	CHARGES										DISCOUNTS
		FREE	CREDIT	FEES	-	-	-	-	-	-	-	
Informatics	BUILT-IN	X	X	X	Z	Z	Z	Z	Z	Z	Z	Y*
Computer Associates	MANUALS	X	X	X	X	X	X	X	X	X	X	-
SDC	AUDIO-VISUAL	X	X	X	X	X	X	X	X	X	X	X
Boole & Babbage	SITE USER	X	X	X	X	X	X	X	X	X	X	X
Cincom	VENDOR SITE	X	-	X	-	X	-	X	-	X	X	X
Nixdorf	OTHER											
McCormack & Dodge												
ADR												
Mathematica												
Software AG												
MRI Systems												
Pansophic												
University Computer												
MSA												
Cullinane												

F. MARKETING

I. APPROACHES

- Most companies utilize a variety of marketing approaches, as shown in Exhibit II-22; i.e.:
 - Advertising.
 - Telephone.
 - Personal sales calls.
 - Seminars.
- Hardware companies typically have their salesforce market both hardware and software.

2. PRICING

- Pricing is a sensitive subject for some companies, especially hardware companies.
- Cost pricing is used by one-third of respondents, and value pricing by half, as shown in Exhibit II-23.
 - No appreciable difference is seen between hardware and software company respondents.

EXHIBIT II-22

MARKETING APPROACH

VENDOR	METHODS	SALES FORCE MARKETS BOTH SOFTWARE AND OTHER PRODUCTS?			
		SEMINARS	OTHER	PEOPLE	TELEPHONE
<u>MAINFRAMES:</u>					
Honeywell		X	X	X	X
Univac		X	X	X	X
Amdahl		X	X	X	X
Burroughs		X	X	X	X
<u>MINI COMPUTERS:</u>					
Perkin-Elmer		X	X	-	X
System Engineering Labs		X	X	X	X
DEC		X	X	X	-
Hewlett-Packard		X	X	X	-
Data General		X	X	X	X
Prime		-	-	-	-
Y - Only Market Systems, Not Software Alone Y - Hardware & Systems Y - Systems Y - Hardware Y - Varies N					

EXHIBIT II-22 (Cont.)
MARKETING APPROACH

VENDOR	METHODS	SALES FORCE MARKETS BOTH SOFTWARE AND OTHER PRODUCTS?													
		SEMINARS	PEOPLE	TELEPHONE	ADVERTISING	OTHER	Mail								
Informatics	X	X	X	X	X	X		N	N	N	N	N	N	N	N
Computer Associates	X	X	X	X	X	X									
SDC	X	X	X	X	X	X									
Boole & Babbage															
Cincom															
Nixdorf															
McCormack & Dodge															
ADR															
Mathematica															
Software AG															
MRI Systems															
Pansophic															
University Computer															
MSA															
Cullinane															

EXHIBIT II-23

SOFTWARE PRICING

VENDOR	COST-BASED	VALUE-BASED	GENERAL PROCESS
<u>MAINFRAMES:</u>			
Honeywell	Y	N	-
Univac	N	Y	-
Amdahl	-	-	Won't Discuss
Burroughs	For Small Products		For Small Products - Mark-Up; For Most-Value Basis
<u>MINI COMPUTERS:</u>			
Perkin-Elmer	Y	Y	Won't Discuss
System Engineering Labs	Y	Y	-
DEC	-	-	-
Hewlett-Packard	-	Y	Varies
Data General	-	-	Won't Discuss
Prime	-	-	Won't Discuss

EXHIBIT II-23 (Cont.)

SOFTWARE PRICING

VENDOR	COST-BASED	VALUE-BASED	GENERAL PROCESS
Informatics	Low-End	Y	For Low-End: Cost; Others: Value Basis
Computer Associates	Y	N	Marking Up
SDC	-	-	Won't Discuss
Boole & Babbage	Y	Y	Look At Competition, Then On A Value Basis
Cincom	Y	N	Look At Competition, Cost Basis
Nixdorf	N	Y	Value Basis
McCormack & Dodge	N	Y	Aware Of Competition - Value Basis
ADR	Y	N	Marking Up
Mathematica	-	Y	Ad Hoc
Software AG	N	Y	Value Basis
MRI Systems	N	Y	Value Basis
Pansophic	-	-	-
University Computer	-	-	Won't Discuss
MSA	Some	Y	Value Basis, With Eye On Competition
Cullinane	DK	DK	DK

APPENDIX: QUESTIONNAIRE

SOFTWARE TERMS AND CONDITIONS STUDY

INPUT is studying changes and trends that are occurring in the terms and conditions associated with software products, both as they are marketed with hardware and as they are available separately. Most of the questions refer to public information, but if any of the information that we are requesting is proprietary to your company, please indicate that fact.

..... ALL .OPER.SYST.APPL.APPL.NO/ .
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

(1) (COMPLETE PRIOR TO INTERVIEW)

Hardware Vendor ? . 1.
Software Only Vendor ? . 2.

(2) In which of the following areas do you
offer software products ?

A. OPERATING SYSTEMS: including security,
TSO-like interactive, communication or
data access method, and job entry. 3. 4.
B. SYSTEMS SUPPORT: including systems mgmt.,
installation mgmt., network/distributed
mgmt., and utilities. 5. 6.
C. APPLICATION SUPPORT: including DB/DC,
query/report writers, and application
development generators, compilers,
assemblers, and sort/merge utilities. 7. 8.
D. APPLICATION PACKAGES. 9. 10.

(3) Are all your products marketed under the
same terms and conditions ?

GO TO Q5 YES . 11.
CONTINUE NO . 12.
TERMINATE DON'T KNOW . 13.

(4) What are the major differences ?

(INTERVIEWER PROMPT)

FOR THE FOLLOWING QUESTIONS HAVE THE INTERVIEWEE
INDICATE TO WHICH OF THE FOUR PRODUCT AREAS
THE PARTICULAR REONSE APPLIES.

.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE

LICENSING

(5) Are your software products offered for a separate license fee, included in the hardware price, or both methods?

SEPARATE LICENSE INCLUDED IN HARDWARE	.	14.	15.	16.	17.	18.	19.
	.	20.	21.	22.	23.	24.	25.

(INTERVIEW PROMPT)

IF NO SOFTWARE IS OFFERED FOR A SEPARATE LICENSE FEE
GO TO Q35

(6) Do you offer a LEASE type of license ?
That is the customer makes regular payments for a fixed period of time after which the license may be renewed for a further fixed period of time.

CONTINUE	YES	.	26.	27.	28.	29.	30.	31.
GO TO Q8	NO	.	32.	33.	34.	35.	36.	37.
GO TO Q8	DON'T KNOW	.	38.	39.	40.	41.	42.	43.
	
	
	

(7) What LEASE periods are available ?

1 YEAR	.	44.	45.	46.	47.	48.	49.
2 YEARS	.	50.	51.	52.	53.	54.	55.
3 YEARS	.	56.	57.	58.	59.	60.	61.
4 YEARS	.	62.	63.	64.	65.	66.	67.
5 YEARS	.	68.	69.	70.	71.	72.	73.
OTHER	.	74.	75.	76.	77.	78.	79.

..... ALL .OPER.SYST.APPL.APPL.NO/
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(8) Do you offer a RENTAL type of license ?

That is the customer makes regular payments as long as the software product is installed.

CONTINUE	YES	. 80.	. 81.	. 82.	. 83.	. 84.	. 85.
GO TO Q12	NO	. 86.	. 87.	. 88.	. 89.	. 90.	. 91.
GO TO Q12	DON'T KNOW	. 92.	. 93.	. 94.	. 95.	. 96.	. 97.

..... (9) Is it a MONTHLY or an ANNUAL payment for the RENTAL option ?

MONTHLY	. 98.	. 99.	. 100.	. 101.	. 102.	. 103.
ANNUAL	. 104.	. 105.	. 106.	. 107.	. 108.	. 109.
OTHER	. 110.	. 111.	. 112.	. 113.	. 114.	. 115.

..... (10) Is there an INITIAL LICENSE FEE in addition to the continuous payments ?

CONTINUE	YES	. 116.	. 117.	. 118.	. 119.	. 120.	. 121.
GO TO Q12	NO	. 122.	. 123.	. 124.	. 125.	. 126.	. 127.
GO TO Q12	DON'T KNOW	. 128.	. 129.	. 130.	. 131.	. 132.	. 133.

..... (11) If and when the user installs a significant new upgrade or enhancement which of the following apply ?

PAY INTIAL CHARGE AGAIN	. 134.	. 135.	. 136.	. 137.	. 138.	. 139.
PAY REDUCED INITIAL CHARGE	. 140.	. 141.	. 142.	. 143.	. 144.	. 145.
PAY NO INITIAL CHARGE	. 146.	. 147.	. 148.	. 149.	. 150.	. 151.

.ALL .OPER.SYST.APPL.APPL.NO/ .
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(12) Do you offer a USAGE PRICING type of license ? That is the price varies with some measure of the customer's use of the product.

CONTINUE	YES	. 152.	153.	154.	155.	156.	157.
GO TO Q14	NO	. 158.	159.	160.	161.	162.	163.
GO TO Q14	DON'T KNOW	. 164.	165.	166.	167.	168.	169.
	
	
	

(13) How do you USAGE PRICE ?

(14) Do you offer a PAID UP type of license ?
That is the customer makes regular payments for a fixed time period after which he has a perpetual license.

YES	.	200.	201.	202.	203.	204.	205.
NO	.	206.	207.	208.	209.	210.	211.
DON'T KNOW	.	212.	213.	214.	215.	216.	217.

	-
	-
	-

(15) Do you offer a ONE TIME CHARGE type of license? That is the customer makes a single payment for the license.

(Go to question 23) YES . 218. 219. 220. 221. 222. 223.
NO . 224. 225. 226. 227. 228. 229.
DON'T KNOW . 230. 231. 232. 233. 234. 235.
• • • • • •
• • • • • •
• • • • • •

.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE

LICENSING

(INTERVIEWER PROMPT)

If the response to either (14) or (15) is YES
ask questions (16) (17) (18) (19) (20) and (21)

- (16) Who retains the rights to the code once the customer pays his full charge ?

VENDOR	. 236.	237.	238.	239.	240.	241.
CUSTOMER	. 242.	243.	244.	245.	246.	247.

- (17) Once the customer has paid the full amount for the code and he no longer wishes to use it, can he resell to another user, thereby making a "used market" for software ?

YES	. 248.	249.	250.	251.	252.	253.
NO	. 254.	255.	256.	257.	258.	259.
DON'T KNOW	. 260.	261.	262.	263.	264.	265.

- (18) What restrictions are placed on the resale ?

- (19) Will you buy back the code yourself ?

CONTINUE	YES	. 266.	267.	268.	269.	270.	271.
GO TO Q21	NO	. 272.	273.	274.	275.	276.	277.
GO TO Q21	DON'T KNOW	. 278.	279.	280.	281.	282.	283.

.ALL .OPER.SYST.APPL.APPL.NO/ .
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(21) What incentives exist to get this customer to upgrade to a new version ? For example do you offer a credit against the purchase price ?

CREDIT . 296. 297. 298. 299. 300. 301.
Enter Percentage

OTHER . 302. 303. 304. 305. 306. 307.
NO NEW FUNCTION AVAILABLE . 308. 309. 310. 311. 312. 313.

(22) Do you offer any OTHER type of license ?
YES . 314. 315. 316. 317. 318. 319.
NO . 320. 321. 322. 323. 324. 325.
DON'T KNOW . 326. 327. 328. 329. 330. 331.
_____.
_____.
_____.

.....
ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(24) Where there is a purchase or one time charge option and a lease/rental option is there an accrual of purchase credits?

CONTINUE	YES	. 344. 345. 346. 347. 348. 349.
GO TO Q26	NO	. 350. 351. 352. 353. 354. 355.
GO TO Q26	DON'T KNOW	. 356. 357. 358. 359. 360. 361.

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.....

(25) What are the details of the method of accrual ?

PERCENTAGE OF PAYMENTS	. 362. 363. 364. 365. 366. 367.
Enter Percentage	. . . . . .

MAXIMUM % ACCRUALABLE	. 368. 369. 370. 371. 372. 373.
Enter Percentage	. . . . . .

MAXIMUM ACCRUAL MONTHS	. 374. 375. 376. 377. 378. 379.
Enter Percentage	. . . . . .

.....
.....
.....

(26) Do you offer any discounts or other financial incentives ?

CONTINUE	YES	. 380. 381. 382. 383. 384. 385.
GO TO Q33	NO	. 386. 387. 388. 389. 390. 391.
GO TO Q33	DON'T KNOW	. 392. 393. 394. 395. 396. 397.

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(27) Do you offer volume discounts ?

YES	. 398. 399. 400. 401. 402. 403.
NO	. 404. 405. 406. 407. 408. 409.
DON'T KNOW	. 410. 411. 412. 413. 414. 415.

What is the discount schedule ?

.....
.....

.....
.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.
.....

LICENSING

(28) Do you offer multiple sites discounts ?

YES	. 416.	417.	418.	419.	420.	421.
NO	. 422.	423.	424.	425.	426.	427.
DON'T KNOW	. 428.	429.	430.	431.	432.	433.

What is the discount schedule ?

.....
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.....

(29) Do you offer multiple systems discounts ?

YES	. 434.	435.	436.	437.	438.	439.
NO	. 440.	441.	442.	443.	444.	445.
DON'T KNOW	. 446.	447.	448.	449.	450.	451.

What is the discount schedule ?

.....
.....
.....

(30) Do you offer prepayment discounts?

YES	. 452.	453.	454.	455.	456.	457.
NO	. 458.	459.	460.	461.	462.	463.
DON'T KNOW	. 464.	465.	466.	467.	468.	469.

What is the discount schedule ?

.....
.....
.....

(31) Do you offer any other form of discount ?

YES	. 470.	471.	472.	473.	474.	475.
NO	. 476.	477.	478.	479.	480.	481.
DON'T KNOW	. 482.	483.	484.	485.	486.	487.

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..... ALL .OPER.SYST.APPL.APPL.NO/
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(32) When multiple licenses are to be
installed with a discount is the
user required to copy the media ?

CONTINUE	YES	. 488.	489.	490.	491.	492.	493.
GO TO Q	NO	. 494.	495.	496.	497.	498.	499.
GO TO Q	DON'T KNOW	. 500.	501.	502.	503.	504.	505.
	
	
	

(33) To whom is the software licensed ?

CPU SERIAL #	. 506.	507.	508.	509.	510.	511.
SYSTEM TYPE (any CPU of same type)	. 512.	513.	514.	515.	516.	517.
USER SITE	. 518.	519.	520.	521.	522.	523.
USER FIRM	. 524.	525.	526.	527.	528.	529.
OTHER	. 530.	531.	532.	533.	534.	535.

(34) How do you enforce licensing
restrictions ?

(35) After a customer is using a product how do
you get new upgrades or enhancements to
that user ? (READ LIST)

NO CHARGE ENHANCEMENTS	. 536.	537.	538.	539.	540.	541.
CHARGED FOR ENHANCEMENTS	. 542.	543.	544.	545.	546.	547.
IN MAINTENANCE	. 548.	549.	550.	551.	552.	553.
TREATED AS A NEW PRODUCT	. 554.	555.	556.	557.	558.	559.
OR VERSION WITH A NEW CHARGE	.	.	.	.	.	.
OTHER	. 560.	561.	562.	563.	564.	565.
NO NEW FUNCTION PLANNED	. 566.	567.	568.	569.	570.	571.

..... ALL .OPER.SYST.APPL.APPL.NO/
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

LICENSING

(36) Under what circumstances do you deliver
source code ? (READ LIST)

GO TO Q38 NEVER . 572. 573. 574. 575. 576. 577.
ON A NEED TO KNOW BASIS . 578. 579. 580. 581. 582. 583.
FOR AN EXTRA FEE . 584. 585. 586. 587. 588. 589.
NORMALLY . 590. 591. 592. 593. 594. 595.

(37) If source is delivered, in what form?
(READ LIST)

MACHINE READABLE . 596. 597. 598. 599. 600. 601.
MICROFICHE . 602. 603. 604. 605. 606. 607.
PAPER . 608. 609. 610. 611. 612. 613.
OTHER . 614. 615. 616. 617. 618. 619.
..... . 620. 621. 622. 623. 624. 625.

(38) Is your software protected such as by
copyright or trade secret ?

COPYRIGHT . 626. 627. 628. 629. 630. 631.
TRADE SECRET . 632. 633. 634. 635. 636. 637.
OTHER . 638. 639. 640. 641. 642. 643.
GO TO Q40 NONE . 644. 645. 646. 647. 648. 649.

(39) How do you enforce this copyright,
trade secret, or other protection ?

(40) How many copies of related software
documentation are provided free with the
software ?

FREE DOCUMENTATION . 650. 651. 652. 653. 654. 655.
Enter Number of Copies

.ALL .OPER.SYST.APPL.APPL.NO/ .
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

REDISTRIBUTION

- (41) Is there any difference in price and terms
and conditions for software as you apply
them to service vendors (remote computing
service and/or batch service) versus an
end user ?

YES . 656. 657. 658. 659. 660. 661.
GO TO Q43 NO . 662. 663. 664. 665. 666. 667.
GO TO Q43 DON'T KNOW . 668. 669. 670. 671. 672. 673.

(42) Please explain the differences ?

FOR HARDWARE VENDORS ASK QUESTIONS 43 THROUGH 48
FOR SOFTWARE ONLY VENDORS ASK QUESTIONS 49 THROUGH 54

(HARDWARE VENDORS)

- (43) Do you allow software vendors, OEMs, or turnkey vendors to redistribute your software ?

GO TO Q55	YES	. 674.	675.	676.	677.	678.	679.
GO TO Q55	NO	. 680.	681.	682.	683.	684.	685.
GO TO Q55	DON'T KNOW	. 686.	687.	688.	689.	690.	691.

(HARDWARE VENDORS)
(44) Do you allow a discount to the software redistributor ?

DISCOUNT
Enter percentage : : : : : : :

..... ALL .OPER.SYST.APPL.APPL.NO/
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

REDISTRIBUTION

(HARDWARE VENDORS)

(45) Must the software redistributor enhance or add value to your software?

YES	. 698.	699.	700.	701.	702.	703.
NO	. 704.	705.	706.	707.	708.	709.
DON'T KNOW	. 710.	711.	712.	713.	714.	715.

(HARDWARE VENDORS)

(46) Must any new code added by the redistributor run on your hardware ?

YES	. 716.	717.	718.	719.	720.	721.
NO	. 722.	723.	724.	725.	726.	727.
DON'T KNOW	. 728.	729.	730.	731.	732.	733.

(HARDWARE VENDORS)

(47) Is the redistributor allowed to enhance your software to run on another vendor's hardware ?

YES	. 734.	735.	736.	737.	738.	739.
NO	. 740.	741.	742.	743.	744.	745.
DON'T KNOW	. 746.	747.	748.	749.	750.	751.

(HARDWARE VENDORS)

(48) Is the license for the redistributed software between you and the end user?

YES	. 752.	753.	754.	755.	756.	757.
NO	. 758.	759.	760.	761.	762.	763.
DON'T KNOW	. 764.	765.	766.	767.	768.	769.

INTERVIEWER PROMPT - GO TO 55

..... ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

REDISTRIBUTION

(SOFTWARE ONLY VENDORS)

- (49) Do you redistribute software from
hardware vendor ?

GO TO Q55
GO TO Q55

YES

NO

DON'T KNOW

. 770. 771. 772. 773. 774. 775.
. 776. 777. 778. 779. 780. 781.
. 782. 783. 784. 785. 786. 787.

- (50) Do you receive a discount on the
software that you redistribute ?

DISCOUNT
Enter percentage

. 788. 789. 790. 791. 792. 793.
.

- (51) In order to redistribute are you
required to enhance or add value
to the software ?

YES

NO

DON'T KNOW

. 794. 795. 796. 797. 798. 799.
. 800. 801. 802. 803. 804. 805.
. 806. 807. 808. 809. 810. 811.

- (52) Must the new enhanced code run on
the vendor's hardware ?

YES

NO

DON'T KNOW

. 812. 813. 814. 815. 816. 817.
. 818. 819. 820. 821. 822. 823.
. 824. 825. 826. 827. 828. 829.

..... ALL . OPER.SYST.APPL.APPL.NO/ .
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

REDISTRIBUTION

(SOFTWARE ONLY VENDORS)

- (53) Are you allowed to enhance the software to run on another vendor's hardware ?

YES	. 830.	831.	832.	833.	834.	835.
NO	. 836.	837.	838.	839.	840.	841.
DON'T KNOW	. 842.	843.	844.	845.	846.	847.

(SOFTWARE ONLY VENDORS)

- (54) With whom does the end user have the software license ?

YOU	. 848.	849.	850.	851.	852.	853.
HARDWARE VENDOR	. 854.	855.	856.	857.	858.	859.

INSTALLATION

- (55) In what form is installation service available ?

FREE, PART OF LICENSE	. 860.	861.	862.	863.	864.	865.
SEPARATELY CHARGED	. 866.	867.	868.	869.	870.	871.
GO TO Q58	NOT AVAILABLE	. 872.	873.	874.	875.	876.

- (56) How many days of free installation support do you provide ?

DAYS	. 878.	879.	880.	881.	882.	883.
Enter number	. .	. .	. .	. .	. .	. .

..... ALL . OPER . SYST . APPL . APPL . NO /
..... PROD . SYST . SUPP . SUPP . PKGE . NONE .

INSTALLATION

(57) Please explain any variations by
product.

.....
.....
.....
.....
.....

(58) Is there an acceptance or test period ?

GO TO Q60	YES	. 884. 885. 886. 887. 888. 889.
GO TO Q60	NO	. 890. 891. 892. 893. 894. 895.
GO TO Q60	DON'T KNOW	. 896. 897. 898. 899. 900. 901.

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.....

(59) How long is the acceptance period in
days ?

DAYS	. 902. 903. 904. 905. 906. 907.
Enter number

.....
.....
.....
.....

(60) If you warrant the product do require that
you install the software ?

YES	. 908. 909. 910. 911. 912. 913.
NO	. 914. 915. 916. 917. 918. 919.
DON'T KNOW	. 920. 921. 922. 923. 924. 925.

.....
.....
.....

(61) As a rule do you make modifications to
your product to meet unique user needs ?

GO TO Q64	YES	. 926. 927. 928. 929. 930. 931.
GO TO Q64	NO	. 932. 933. 934. 935. 936. 937.
GO TO Q64	DON'T KNOW	. 938. 939. 940. 941. 942. 943.

.....
.....
.....

..... ALL .OPER.SYST.APPL.APPL.NO/
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

INSTALLATION

(62) Do you maintain these user unique
modifications to your product ?

YES	. 944.	945.	946.	947.	948.	949.
NO	. 950.	951.	952.	953.	954.	955.
DON'T KNOW	. 956.	957.	958.	959.	960.	961.

.....

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.....

(63) Are these modifications charged for
with an extra fee ?

YES	. 962.	963.	964.	965.	966.	967.
NO	. 968.	969.	970.	971.	972.	973.
DON'T KNOW	. 974.	975.	976.	977.	978.	979.

.....

.....

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MAINTENANCE

WE NOW WANT TO DISCUSS HOW SOFTWARE MAINTENANCE
IS CHARGED FOR EACH METHOD OF LICENSE PAYMENT

(64) Maintenance charge for LEASE agreement ?

IN LICENSE FEE	. 980.	981.	982.	983.	984.	985.
IN LICENSE FEE 1st 12 MONTHS	. 986.	987.	988.	989.	990.	991.
SEPARATELY CHARGED FOR	. 992.	993.	994.	995.	996.	997.
and is the maintenance contract	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
REQUIRED	. 998.	999.	1000.	1001.	1002.	1003.
OPTIONAL	. 1004.	1005.	1006.	1007.	1008.	1009.

.....

.....

.....

.....

..... ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

MAINTENANCE

(65) Maintenance for CONTINUOUS PAYMENT ?

IN LICENSE FEE	.1010.1011.1012.1013.1014.1015.
IN LICENSE FEE 1st 12 MONTHS	.1016.1017.1018.1019.1020.1021.
SEPARATELY CHARGED FOR	.1022.1023.1024.1025.1026.1027.
and is the maintenance contract	.
REQUIRED	.1028.1029.1030.1031.1032.1033.
OPTIONAL	.1034.1035.1036.1037.1038.1039.

(66) Maintenance for USAGE PRICING ?

IN LICENSE FEE	.1040.1041.1042.1043.1044.1045.
IN LICENSE FEE 1st 12 MONTHS	.1046.1047.1048.1049.1050.1051.
SEPARATELY CHARGED FOR	.1052.1053.1054.1055.1056.1057.
and is the maintenance contract	.
REQUIRED	.1058.1059.1060.1061.1062.1063.
OPTIONAL	.1064.1065.1066.1067.1068.1069.

(67) Maintenance for PAID UP license ?

IN LICENSE FEE	.1070.1071.1072.1073.1074.1075.
IN LICENSE FEE 1st 12 MONTHS	.1076.1077.1078.1079.1080.1081.
SEPARATELY CHARGED FOR	.1082.1083.1084.1085.1086.1087.
and is the maintenance contract	.
REQUIRED	.1088.1089.1090.1091.1092.1093.
OPTIONAL	.1094.1095.1096.1097.1098.1099.

(68) Maintenance for One Time Charge/Purchase ?

IN LICENSE FEE	.1100.1101.1102.1103.1104.1105.
IN LICENSE FEE 1st 12 MONTHS	.1106.1107.1108.1109.1110.1111.
SEPARATELY CHARGED FOR	.1112.1113.1114.1115.1116.1117.
and is the maintenance contract	.
REQUIRED	.1118.1119.1120.1121.1122.1123.
OPTIONAL	.1124.1125.1126.1127.1128.1129.

..... ALL .OPER.SYST.APPL.APPL.NO/ .
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

MAINTENANCE

(69) Maintenance for OTHER ?

IN LICENSE FEE	.1130.1131.1132.1133.1134.1135.
IN LICENSE FEE 1st 12 MONTHS	.1136.1137.1138.1139.1140.1141.
SEPARATELY CHARGED FOR	.1142.1143.1144.1145.1146.1147.
and is the maintenance contract	.
REQUIRED	.1148.1149.1150.1151.1152.1153.
OPTIONAL	.1154.1155.1156.1157.1158.1159.

(70) When a customer has aquired software by
a payment method such as ONE TIME CHARGE
or PAID UP license which does not include
maintenance beyond the first year, and you
offer a separate maintenance agreement,
what is the cost of a 12 month maintenance
agreement.

COST	.1160.1161.1162.1163.1164.1165.
Enter \$ amount	.

(71) For such a customer, what does maintenance
include ?

FIXES TO KNOW PROBLEMS	.1166.1167.1168.1169.1170.1171.
FUNCTIONAL ENHANCEMENTS	.1172.1173.1174.1175.1176.1177.
OTHER	.1178.1179.1180.1181.1182.1183.

(72) What differentiates an enhancement
included in the maintenance for a
ONE TIME CHARGE/PAID UP customer from
a new product or version which has a
new price ? For example SIZE, LINES
OF CODE etc.

.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

MAINTENANCE

- (73) Is there a minimum term for maintenance ?
YES .1184.1185.1186.1187.1188.1189.
NO .1190.1191.1192.1193.1194.1195.
DON'T KNOW .1196.1197.1198.1199.1200.1201.

- (74) If applicable, is a hardware maintenance contract a prerequisite for a software maintenance contract ?
YES .1202.1203.1204.1205.1206.1207.
NO .1208.1209.1210.1211.1212.1213.
DON'T KNOW .1214.1215.1216.1217.1218.1219.

- (75) How long may a user be covered by a maintenance contract after a new release or version is available if he does not upgrade ?
NOT COVERED .1220.1221.1222.1223.1224.1225.
12 MONTHS .1226.1227.1228.1229.1230.1231.
24 MONTHS .1232.1233.1234.1235.1236.1237.
OTHER .1238.1239.1240.1241.1242.1243.

- (76) If an on-site maintenance contract is offered, what are contractual response times ?
NOT OFFERED .1244.1245.1246.1247.1248.1249.
HOURS .1250.1251.1252.1253.1254.1255.
Enter number

DAYS .1256.1257.1258.1259.1260.1261.
Enter number

.ALL .OPER.SYST.APPL.APPL.NO/ .
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

MAINTENANCE

(77) When a user sends in a trouble report, in what form does he get a fix returned ?
(Not exclusive)

ON SITE AID	.1262.1263.1264.1265.1266.1267.
TELEPHONE	.1268.1269.1270.1271.1272.1273.
LETTER	.1274.1275.1276.1277.1278.1279.
NEWSLETTER	.1280.1281.1282.1283.1284.1285.
NEXT REGULAR MTNCE RELEASE	.1286.1287.1288.1289.1290.1291.
OTHER	.1292.1293.1294.1295.1296.1297.

(78) Do all users get the problem fix ?

YES .1298.1299.1300.1301.1302.1303.
NO .1304.1305.1306.1307.1308.1309.
DON'T KNOW .1310.1311.1312.1313.1314.1315.

(79) Who applies the fix ?

VENDOR .1316.1317.1318.1319.1320.1321.
CUSTOMER .1322.1323.1324.1325.1326.1327.

(80) What is the average trouble report turn round time from the user's point of view in days ?

DAYS .1328.1329.1330.1331.1332.1333.
Enter number : : : : : : :

.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE

MAINTENANCE

- (81) If a user has multiple licenses for the same software product, which of the following apply ?
(Not exclusive)

MAINTENANCE PRICE DISCOUNT	.1334.1335.1336.1337.1338.1339.
CENTRAL MAINTENANCE PLAN where the users present an interface to your firm that resembles a single license.	.1340.1341.1342.1343.1344.1345.
NOT APPLICABLE	.1346.1347.1348.1349.1350.1351.

- (82) If on-site assistance/maintenance is offered, what is the price of this service in dollars per hour ?

NOT OFFERED	.1352.1353.1354.1355.1356.1357.
PRICE	.1358.1359.1360.1361.1362.1363.
Enter \$ per hour	.

EDUCATION (Optional Section - Questions 83-86)

- (83) How does your firm offer training in support of your product ?
(Not exclusive)

NOT OFFERED	.1364.1365.1366.1367.1368.1369.
CLASSROOM VENDOR'S SITE	.1370.1371.1372.1373.1374.1375.
CLASSROOM USER'S SITE	.1376.1377.1378.1379.1380.1381.
AUDIO VISUAL MEDIA	.1382.1383.1384.1385.1386.1387.
INSTRUCTION MANUALS	.1388.1389.1390.1391.1392.1393.
BUILT INTO PRODUCT	.1394.1395.1396.1397.1398.1399.
OTHER	.1400.1401.1402.1403.1404.1405.

..... ALL .OPER.SYST.APPL.APPL.NO/
..... PROD.SYST.SUPP.SUPP.PKGE.NONE.

EDUCATION

(84) How is education paid for ?
(Not exclusive)

NOT PROVIDED	.1406.1407.1408.1409.1410.1411.
FREE	.1412.1413.1414.1415.1416.1417.
CREDIT WITH LICENSE	.1418.1419.1420.1421.1422.1423.
TRAINING FEE	.1424.1425.1426.1427.1428.1429.

(85) Are education discounts available ?

GO TO Q87	YES	.1430.1431.1432.1433.1434.1435.
GO TO Q87	NO	.1436.1437.1438.1439.1440.1441.
GO TO Q87	DON'T KNOW	.

(86) Describe the educational discounts ?

MARKETING (Not Optional)

(87) How are your products marketed ?
(Not exclusive)

ADVERTISING	.1442.1443.1444.1445.1446.1447.
TELEPHONE	.1448.1449.1450.1451.1452.1453.
SALES PEOPLE	.1454.1455.1456.1457.1458.1459.
SEMINARS	.1460.1461.1462.1463.1464.1465.
OTHER	.1466.1467.1468.1469.1470.1471.

.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

MARKETING

(88) Do the sales people market anything other than your software ?

YES	.1472.1473.1474.1475.1476.1477.
NO	.1478.1479.1480.1481.1482.1483.
DON'T KNOW	.1484.1485.1486.1487.1488.1489.

(89) Please explain what your sales people market other than your software ?

GENERAL

(90) How do you in general determine what you charge for the software you market ?

(91) Do you use an approach of marking up costs?
Please discuss.

(92) Do you price on a "value" basis, that is what the market will bear ?
Please discuss.

.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

GENERAL

(93) Could you supply copies of your software
price lists for unbundled software ?

SYSTEMS SOFTWARE

YES .1490.1491.1492.1493.1494.1495.

NO .1496.1497.1498.1499.1500.1501.

APPLICATIONS SOFTWARE

YES .1502.1503.1504.1505.1506.1507.

NO .1508.1509.1510.1511.1512.1513.

(94) Could you supply copies of typical software.
product descriptions ?

YES .1514.1515.1516.1517.1518.1519.

NO .1520.1521.1522.1523.1524.1525.

(95) Could you supply copies of your license
agreements ?

YES .1526.1527.1528.1529.1530.1531.

NO .1532.1533.1534.1535.1536.1537.

(95) Could you supply copies of your discount
schedules ?

YES .1538.1539.1540.1541.1542.1543.

NO .1544.1545.1546.1547.1548.1549.

(96) Will the discount schedules describe the following ?

Unbundled Software ? YES/NO

BUNDLED SOFTWARE ? YES/NO

End User discounts ? YES/NO

OEM Discounts ? YES/NO

Volume pricing for both \$ volume and unit volume ? YES/NO

.....
.ALL .OPER.SYST.APPL.APPL.NO/
.PROD.SYST.SUPP.SUPP.PKGE.NONE.

GENERAL

THANK YOU FOR YOUR COOPERATION
IN ANSWERING OUR QUESTIONS.

VENDOR IDENTIFICATION

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